

Atty. Docket No.: GRCA001US0
Customer ID No. 37141

Remarks:

Claims 1-13, 101, 201-207, 301-316, 401-403, 501-505, 601-609, 701-702, 801, and 901 are currently pending, and have been subjected to a restriction requirement.

For reasons discussed in greater detail below, Applicant respectfully notes that the Examiner has failed to comply with the requirements for restriction practice with respect to the present claims. Consequently, the current four-way restriction requirement proposed by the Examiner is improper, thus leaving Applicant unable to make an election of claims along the lines proposed by the Examiner.

The foregoing notwithstanding, and in the spirit of cooperation, Applicant is willing to concede to restriction between the claims of Group IV and the remaining groups of claims. Therefore, subject to the condition that the Examiner is willing to accept a two-way restriction along these lines, Applicant elects, without traverse, the claims of Groups I, II and III for further prosecution on the merits, with the claims of Group IV being withdrawn from further consideration. If, on the other hand, the Examiner wishes to persist with the originally proposed four-way restriction requirement, then it would appear necessary for the Examiner to issue a further paper advancing reasons for restriction that are in compliance with the requirements set forth in the MPEP. In that case, it will be necessary for Applicant to defer any election of claims until such time as a proper grounds for restriction has been presented.

Applicant respectfully notes that the Examiner has not met all of the requirements for imposing a restriction requirement in the present paper. In this respect, the Examiner is referred to MPEP § 806.05(d), which specifies that

Furthermore, restriction is only proper when there would be a serious burden if restriction were not required, as evidenced by separate classification, status, or field of search.

In the present case, not only has the Examiner failed to present any evidence that a serious burden would exist if restriction is not required, the Examiner's own remarks clearly demonstrate that no such burden exists. In particular, the Examiner has explicitly stated on the record that all four of the allegedly distinct inventions have the *same* classification, namely, class 705, subclass 35. Since, by the Examiner's own admission, the same exact art will have to be searched for all four inventions, it cannot be said that there is a serious burden

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on the Examiner in examining all four inventions. Hence, under MPEP § 806.05(d), restriction in this case is improper.

Moreover, Applicant notes that the Examiner has not satisfied the requirement of *distinctiveness* as required to support the proposed restriction requirement. A showing of distinctiveness is necessary to establish proper grounds for restriction because, as noted at MPEP § 806, “Where inventions are related as disclosed but are not distinct as claimed, restriction is never proper.” [emphasis added]

MPEP § 806.05(d), which was cited by the Examiner, specifies that “The subcombinations are distinct if they do not overlap in scope and are not obvious variants, and if it is shown that at least one subcombination is separately usable.” Thus, this provision includes three requirements, all of which must be met in order for sufficient distinctiveness to exist to justify restriction: (1) the subcombinations do not overlap in scope; (2) the subcombinations are not obvious variants, and (3) at least one of the subcombinations is separately usable. In the present case, the Examiner has only addressed the last of these three requirements. However, the first requirement – that the subcombinations do not overlap in scope – has clearly not been met in the present case.

MPEP § 806.04(f) addresses the issue of overlap in scope. That section of the MPEP provides that

Where two or more species are claimed, a requirement for restriction to a single species may be proper if the species are mutually exclusive. < Claims ** to different species **> are mutually exclusive if < one claim recites limitations **> disclosed for < a first species but not * a second, while a second claim recites limitations disclosed only for the second species and not the first. This **> may also be < expressed by saying that > to require restriction between claims limited to species, the < claims ** must not overlap in scope <.

It will thus be appreciated from the foregoing that the determination to be made in assessing whether subcombinations overlap in scope boils down to whether the two subcombinations are mutually exclusive.

In the present case, with respect to Inventions I and II, the subcombinations proposed by the Examiner are not mutually exclusive. For example, the Examiner distinguishes between Groups I and II on the basis that “subcombination II has separate utility such as financing the acquisition of an asset or service using a common fund and an award distribution”. However, contrary to the Examiner’s assertion, the claims of both groups relate to financing the acquisition of an asset. Thus, for example, the preamble of claim 1 (of

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Group I) and the preamble of claim 201 (of Group II) recite the element of “financing the acquisition of an asset or service”. Similarly, members of both groups of claims recite the element of a common fund (see, e.g., claim 1 of Group I and claim 201 of Group II).

In addition, Applicant respectfully notes that the act of “distributing an award” in the claims of Group II is not mutually exclusive of the act of allocating funds or proceeds as recited in the claims of Group I, as required for a showing of distinctiveness (and therefore restriction). In particular, it is clear from the claims of Group II (and from the associated portion of the specification, which provides meaning to the term “award”) that the granting of an award may involve distributing proceeds from a common fund. Similarly, the act of distributing proceeds from a fund may be an instance of an award distribution. Here, the Examiner is referred to Page 10, Lines 19-26, which clearly discloses that the grant of an award may be a cash payment, i.e., a distribution of proceeds from the common fund: “The funds from the common fund F_i are then allocated or awarded to members of the group G_i on a rotating basis Typically, the awards are made on a zero-sum basis (that is, the total amount of money paid out in awards to members of group G_i is essentially equal to the total amount of money paid in by the members of that group, excluding management fees and other such expenses).”

Applicant also respectfully notes that the Examiner’s lack of explanation with respect to the first and second criteria set forth above with respect to establishing a showing of distinctiveness is in contravention to the dictates of MPEP § 808.01. This section of the MPEP provides that

The particular reasons relied on by the examiner for holding that the inventions as claimed are either independent or distinct should be concisely stated. A mere statement of conclusion is inadequate. The reasons upon which the conclusion is based should be given.

Moreover, Applicants note that the Examiner’s reasoning must establish the presence of a serious burden in the absence of restriction. Thus, MPEP § 808.01 provides that

Every requirement to restrict has two aspects: (A) the reasons (as distinguished from the mere statement of conclusion) why $^{**}>$ each invention $< as claimed *>$ is $<$ either independent or distinct $>$ from the other(s) $<;$ and (B) the reasons $>$ why there would be a serious burden on the examiner if restriction is not required, i.e., the reasons $<$ for insisting upon restriction therebetween as set forth in the following sections.

Similarly, MPEP § 808.02 provides that

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Where the * inventions as claimed are shown to be independent or distinct under the criteria of MPEP § 806.05(c) - § 806.06, the examiner, in order to establish reasons for insisting upon restriction, must explain why there would be a serious burden on the examiner if restriction is not required.

With respect to Groups I and III, the Examiner argues that the subcombination of Group III has the separate utility of "financing the acquisition of an asset using a rotating credit association". However, Applicants note that both groups of claims recite financing the acquisition of an asset. Hence, this proposed grounds of distinctiveness would be valid only if the "rotating credit associations" of the claims of Group III are exclusive of the subject matter of the claims of Group I. This is clearly not the case, because a "rotating credit association" or RCA is described in the specification as follows:

[A]n RCA typically involves a group of participants who agree to make regular contributions to a common fund. Proceeds from the fund are then given, in whole or in part, to each contributor in rotation. These funds are typically used for the purchase of durable goods, including homes, or to purchase inventory or equipment for the launch of new businesses.

It will be appreciated, then, that RCAs are precisely the type of arrangement described in the claims of Group I. Therefore, the claims of Group I and III are not mutually exclusive, and thus are not distinct for the purposes of restriction. Hence, the Examiner's imposition of a restriction requirement between these claims is invalid.

With respect to Groups II and III, the Examiner argues that the subcombination of Group III has the separate utility of "financing the acquisition of an asset using a rotating credit association". However, Applicants note that both groups of claims recite financing the acquisition of an asset. Moreover, for reasons noted above, the presence of an RCA does not render these claims mutually exclusive, because an RCA is not mutually exclusive of the group activity defined in the claims of Group II. Therefore, the claims of Group II and III are not distinct for the purposes of restriction. Hence, the Examiner's imposition of a restriction requirement between these claims is invalid.

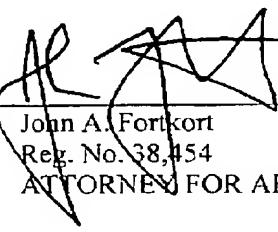
Should the Examiner have any questions or desire clarification of any sort, the Examiner is invited to telephone the undersigned at the number listed below. Please reference Attorney Docket No. NVTX005US0.

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It is believed no further fee is due with this submission, however, if a further fee is due or a credit deemed appropriate, the Commissioner is hereby authorized to charge such fee or assign such credit to Deposit Account No. 50-3694 of Fortkort & Houston P.C.

Respectfully submitted,
FORTKORT & HOUSTON P.C.

Date: September 5, 2008

By: 

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